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SENATE

REPORT
No. 177

AMENDING AND EXTENDING THE PROVISIONS OF THE DISTRICT OF COLUMBIA EMERGENCY RENT ACT

MARCH 15, 1951.—Ordered to be printed

Mr. NEELY, from the Committee on the District of Columbia, submitted the following

REPORT

[To accompany H. J. Res. 173]

The Committee on the District of Columbia, to which was referred the joint resolution (H. J. Res. 173) to amend and extend the provisions of the District of Columbia Emergency Rent Act, as amended, having considered the same, report favorably thereon without amendment and recommend that the joint resolution do pass.

The purpose of this measure is to extend the provisions of the District of Columbia Emergency Rent Act, as amended, until June 30, 1951. This is the date to which the Senate has extended the National Housing and Rent Act. No other change in existing law is proposed. The resolution was favorably reported by the unanimous vote of the committee.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the resolution, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PURPOSES, TIME LIMIT.—(a) It is hereby found that the national emergency and the national-defense program (1) have aggravated the congested situation with regard to housing accommodations existing at the seat of government; (2) have led or will lead to profiteering and other speculative and manipulative practices by some owners of housing accommodations; (3) have rendered or will render ineffective the normal operations of a free market in housing accommodations; and (4) are making it increasingly difficult for persons whose duties or obligations require them to live or work in the District of Columbia to obtain such accommodations. Whereupon it is the purpose of this Act and the policy of the

Congress during the existing emergency to prevent undue rent increases and any other practices relating to housing accommodations in the District of Columbia which may tend to increase the cost of living or otherwise impede the national-defense program.

(b) The provisions of this Act, and all regulations, orders, and requirements thereunder, shall terminate on [March 31, 1951,] *June 30, 1951*, except that as to offenses committed, or rights or liabilities incurred, prior to such expiration date, the provisions of this Act and such regulations, orders, and requirements, shall be treated as still remaining in force for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability, or offense.

SEC. 2. MAXIMUM RENT CEILINGS AND MINIMUM SERVICE STANDARDS.—(1) On and after the thirtieth day following the enactment of this Act, subject to such adjustments as may be made pursuant to sections 3 and 4, maximum-rent ceilings and minimum-service standards for housing accommodations excluding hotels, in the District of Columbia shall be the following:

(a) For housing accommodations rented on January 1, 1941, the rent and service to which the landlord and tenant were entitled on that date.

(b) For housing accommodations not rented on January 1, 1941, but which had been rented within the year ending on that date, the rent and service to which the landlord and tenant were last entitled within such year.

(c) For housing accommodations not rented on January 1, 1941, nor within the year ending on that date, the rent and service generally prevailing for comparable housing accommodations as determined by the Administrator.

(2) On and after the thirtieth day following the enactment of this Act, the landlord or other person in charge of and conducting any hotel in the District of Columbia shall post in a conspicuous place in each room thereof used for living or dwelling purposes a card or sign plainly stating the rental rate per day of such room, and a copy of such rates for each room shall be filed with the Administrator. Subject to such adjustment as the Administrator may determine to be necessary in order that said rates shall conform to the standard set forth in this section and to such adjustment as may be made pursuant to sections 3 and 4, said rates when posted and filed with the Administrator, shall constitute the maximum-rent ceiling for the housing accommodations specified: *Provided*, That the transient rates so posted shall not exceed the established or standard rate charged by the landlord as of January 1, 1941, except that after written notice by the landlord to the Administrator such landlord may make such addition or deduction to or from such rate as will compensate for (1) a substantial change since January 1, 1941, in maintenance or operating costs or expenses, or (2) a substantial capital improvement or alteration made since January 1, 1941, and such addition or deduction shall be subject to review by the Administrator, and he may by order adjust such maximum-rent ceiling to provide the rental rate generally prevailing for comparable housing accommodations as determined by the Administrator. Posted rates shall conform to the following:

(a) In the case of apartment units, the rental rate shall be that which the landlord was entitled to receive on January 1, 1941, except in those instances where it is shown that a special rate less than the established or standard rate charged by the landlord as of January 1, 1941, was being charged, a rate may be posted at such established or standard rate: *Provided*, That the rate being charged the current occupant shall not be increased.

(b) Where apartment units are changed from furnished to unfurnished, or vice versa, the rate shall be that charged by the landlord for comparable housing accommodations on January 1, 1941: *Provided*, That no such change may be made without the consent of the current occupant, if there be one.

(c) Where housing accommodations are changed from permanent to transient use, the rate shall not exceed that posted for comparable accommodations.

(d) In the case of a hotel not in operation January 1, 1941, the rental rates posted shall be the rates generally prevailing for comparable housing accommodations.

(e) For the purposes of this section, the term "hotel" means an establishment operating under a hotel license and occupied by an appreciable number of persons who are provided customary hotel services such as maid service, furnishing and laundering of linen, telephone and secretarial or desk service, use and upkeep of furniture and fixtures, and bellboy service.

(3) After April 30, 1948, the provisions of this Act shall not apply to the following housing accommodations, and no maximum rent ceilings or minimum service standards shall be prescribed with respect thereto:

(a) Any housing accommodations in hotels, which accommodations are used exclusively for transient occupancy, that is, for living quarters for nonresidents upon a short-time basis;

(b) Any housing accommodations the construction of which was completed after March 31, 1948, or which are additional housing accommodations created by conversion after March 31, 1948, except as hereinafter provided;

(c) Nonhousekeeping, furnished housing accommodations, located within a single dwelling unit not used as a rooming or boarding house, but only if (A) no more than two paying tenants, not members of the landlord's immediate family, live in such dwelling unit, and (B) the remaining portion of such dwelling unit is occupied by the landlord or his immediate family.

(4) Any housing accommodations resulting from any conversion created on or after May 1, 1949, shall continue to be housing accommodations subject to maximum rent ceilings and minimum service standards unless the Administrator issues an order decontrolling them, which he shall issue if he finds that the conversion resulted in additional, self-contained family units as defined by regulations issued by him.

(5) (a) After June 30, 1950, the provisions of this Act shall not apply to, and no maximum rent ceiling or minimum service standards shall be prescribed for, any furnished nonhousekeeping housing accommodations which are rented as rooms without kitchen privileges or facilities for cooking (but not in a suite of two or more rooms), and when and for such period as any of the housing accommodations in any building used as a rooming house are decontrolled under this paragraph (a) the provisions of this Act shall not apply to, and no maximum rent ceilings or minimum service standards shall be prescribed for, such building.

(b) After June 30, 1950, self-contained family units (as defined by regulations issued by the Administrator) located in hotels shall continue to be housing accommodations subject to maximum rent ceilings and minimum service standards unless the Administrator issues an order decontrolling them, or any of them, which he shall issue if he finds that such hotel is primarily engaged in furnishing accommodations for transients."

SEC. 3. GENERAL ADJUSTMENT OF MAXIMUM RENT CEILINGS.—Whenever in the judgment of the Administrator a general increase or decrease since January 1 1941, in taxes or other maintenance or operating costs or expenses has occurred or is about to occur in such manner and amount as substantially to affect the maintenance and operation of housing accommodations generally or of any particular class of housing accommodations, he may by regulation or order increase or decrease the maximum-rent ceiling or minimum-service standard, or both, for such accommodations or class thereof in such manner or amount as will in his judgment compensate, in whole or in part, for such general increase or decrease. Thereupon such adjusted ceiling or standard shall be the maximum-rent ceiling or minimum-service standard for the housing accommodations subject thereto.

SEC. 4. PETITION FOR ADJUSTMENT.—(a) Any landlord or tenant may petition the Administrator to adjust the maximum-rent ceiling applicable to his housing accommodations on the ground that such maximum-rent ceiling is, due to peculiar circumstances affecting such housing accommodations, substantially higher or lower than the rent generally prevailing for comparable housing accommodations; whereupon the Administrator may by order adjust such maximum-rent ceiling to provide the rent generally prevailing for comparable housing accommodations as determined by the Administrator.

(b) Any landlord may petition the Administrator to adjust the maximum-rent ceiling or minimum-service standard, or both, applicable to his housing accommodations to compensate for (1) a substantial rise, since January 1, 1941, in taxes or other maintenance or operating costs or expenses, or (2) a substantial capital improvement or alteration made since January 1, 1941; whereupon the Administrator may by order adjust such maximum-rent ceiling or minimum-service standard in such manner or amount as he deems proper to compensate therefor, in whole or in part, if he finds such adjustment necessary or appropriate to carry out the purposes of this Act: *Provided*, That no such adjusted maximum-rent ceiling or minimum-service standard shall permit the receipt of rent in excess of the rent generally prevailing for comparable housing accommodations as determined by the Administrator: *Provided further*, That the Administrator may by order adjust the maximum-rent ceiling or minimum-service standard hereunder although the landlord fails to produce evidence of facts occurring in the period from January 1, 1941, to December 31, 1945, if the landlord proves circumstances which in the opinion of the Administrator excuse the failure to produce evidence of such facts".

(c) Any tenant may petition the Administrator on the ground that the service supplied to him is less than the service established by the minimum-service standard for his housing accommodations, but in the case of a hotel, is less than the established or standard service supplied as of January 1, 1941; whereupon the Administrator may order that the service be maintained at such minimum-service standard, or that the maximum-rent ceiling be decreased to compensate for a reduction in service, as he deems necessary or appropriate to carry out the purposes of this Act.

(d) Any landlord may petition the Administrator for permission to reduce the service supplied by him in connection with any housing accommodations; whereupon the Administrator, if he determines that the reduction of such services is to be made in good faith for valid business reasons and is not inconsistent with carrying out the purposes of this Act, may, by order, reduce the minimum-service standard applicable to such housing accommodations and adjust the maximum-rent ceiling downward in such amount as he deems proper to compensate therefor.

(e) Any tenant may petition the Administrator to adjust the maximum-rent ceiling applicable to his housing accommodations on the ground that such maximum-rent ceiling permits the receipt of an unduly high rent; whereupon the Administrator may by order adjust such maximum-rent ceiling in such manner or amount as shall, in his judgment, effectuate the purposes of this Act, and provide a fair and reasonable rent for such housing accommodations.

(f) A petition made pursuant to this section shall be subject to the provisions of sections 8 and 9 of this Act. Any adjusted maximum-rent ceiling or minimum-service standard ordered pursuant to this section shall be the maximum-rent ceiling or minimum-service standard for the housing accommodations subject thereto; except that in the event that the adjustment order is stayed or set aside by the court in accordance with section 9 of this Act, the maximum-rent ceiling and minimum-service standard theretofore applicable to such housing accommodations under this Act shall remain in full force and effect.

SEC. 5. PROHIBITIONS.—(a) It shall be unlawful, regardless of any agreement, lease, or other obligation heretofore or hereafter entered into, for any person to demand or receive any rent in excess of the maximum-rent ceiling, or refuse to supply any service required by the minimum-service standard, or otherwise to do or omit to do any act in violation of any provision of this Act or of any regulation, order, or other requirement thereunder, or to offer or agree to do any of the foregoing. Nothing herein shall be construed to require the refund of any rent paid or payable for the use or occupancy of housing accommodations prior to the 30th day following the enactment of this Act.

(b) No action or proceeding to recover possession of housing accommodations shall be maintainable by any landlord against any tenant, notwithstanding that the tenant has no lease or that his lease has expired, so long as the tenant continues to pay the rent to which the landlord is entitled, unless—

(1) The tenant is (a) violating an obligation of his tenancy (other than an obligation to pay rent higher than rent permitted under this Act or any regulation or order thereunder applicable to the housing accommodations involved or an obligation to surrender possession of such accommodations) or (b) is committing a nuisance or using the housing accommodations for an immoral or illegal purpose or for other than living or dwelling purposes, or

(2) The landlord seeks in good faith to recover possession of the property for his immediate and personal use and occupancy as a dwelling: *Provided*, That in the case of housing accommodations in a structure or premises owned or leased by a cooperative corporation or association no such action or proceeding under this paragraph or paragraph (3) of this section shall be maintained unless stock or membership in the cooperative corporation or association has been acquired by persons who are or were tenants in occupancy of at least 65 per centum of the dwelling units in the structure or premises at the time said cooperative corporation or association either (1) acquired or leased said structure or premises, or (2) entered into a contract or option to acquire or lease said structure or premises, whichever date is earliest, and who as such stockholders or members are entitled to possession of their respective dwelling units in the structure or premises by virtue of proprietary leases or otherwise, and this provision shall apply whether such corporation or association acquired or leased such structure or premises or entered into a contract or option to do so prior to or after the effective date of this amendatory Act or unless as the holder of stock or membership acquired in the cooperative corporation or association prior to March 1, 1949, a stockholder or member was entitled to possession of a dwelling unit in the structure or premises by virtue of a proprietary lease or otherwise, or

(3) The landlord has in good faith contracted in writing to sell the property for immediate and personal use and occupancy as a dwelling by the purchaser and that the contract of sale contains a representation by the purchaser that the property is being purchased by him for such immediate and personal use and occupancy, or

(4) The landlord seeks in good faith to recover possession for the immediate purpose of substantially altering, remodeling, or demolishing the property and replacing it with new construction, the plans for which altered, remodeled, or new construction having been filed with and approved by the Commissioners of the District of Columbia, or

(5) The housing accommodations are nonhousekeeping, furnished accommodations located within a single-dwelling unit not used as a rooming or boarding house as defined by this Act and the remaining portion of which dwelling unit is occupied by the lessor or his immediate family.

(c) It shall be unlawful for any person to remove, or attempt to remove, from any housing accommodations the tenant or occupant thereof or to refuse to renew lease or agreement for the use of such accommodations because such tenant or occupant has taken or purposes to take action authorized or required by this Act or any regulation, order, or requirement thereunder.

SEC. 6. ADMINISTRATOR.—There is hereby created in and for the District of Columbia the office of Administrator of Rent Control. The Administrator shall be appointed by the Commissioners of the District of Columbia and shall be a bona fide resident of the District of Columbia for not less than 3 years prior to his appointment. He shall devote his full time to the office of Administrator and shall receive a salary at the rate of $7,500 per annum. The Administrator shall establish offices, acquire supplies and equipment, and employ such personnel, subject to approval by the Commissioners of the District of Columbia, and in accordance with the Classification Act of 1923, as amended, without regard to race or creed, as may be necessary in the performance of his functions under this Act. The Administrator shall submit a semiannual report to the Commissioners of the District of Columbia for transmittal to the Congress of the United States.

SEC. 7. OBTAINING INFORMATION.—(a) The Administrator may make such studies and investigations, and obtain or require the furnishing of such information under oath or affirmation or otherwise, as he deems necessary or proper to assist him in prescribing any regulation or order under this Act, or in the administration and enforcement of this Act, and regulations and orders thereunder. For such purposes the Administrator may administer oaths and affirmations, may require by subpena or otherwise the attendance and testimony of witnesses and the production of documents at any designated place, may require persons to permit the inspection and copying of documents, and the inspection of housing accommodations and may, by regulation or order, require the making and keeping of records and other documents. No person shall be excused from complying with any requirement under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (U. S. C., 1934 edition, title 49, sec. 46), shall apply with respect to any individual who specifically claims such privilege. In the event of contumacy or refusal to obey any such subpena or requirement under this section, the Administrator may make application to the United States District Court for the District of Columbia for an order requiring obedience thereto. Thereupon, the court, with or without notice and hearing, as it in its discretion may decide, shall make such order as is proper and may punish as a contempt any failure to comply with such order.

(b) The Administrator shall have authority to promulgate, issue, amend, or rescind rules and regulations, subject to approval by the Commissioners of the District of Columbia, and to issue such orders as may be deemed necessary or proper to carry out the purposes and provisions of this Act or to prevent the circumvention or evasion thereof. The Administrator may require a license as a condition of engaging in any rental transaction involving the subletting of any housing accommodations or the renting of housing accommodations in a rooming or boarding house, or in a hotel. For the purposes of this Act the term "rooming or boarding house" means a house in which living quarters are rented by the householder to more than two persons. No fee shall be charged for the issuance to any person of any such license and no such license shall contain any provision not prescribed by this Act or which could not be prescribed by regulation, order, or requirement thereunder.

SEC. 8. PROCEDURE.—(a) Any petition filed by a landlord or tenant under section 4 shall be promptly referred to an examiner designated by the Administrator. Notice of such action, in such manner as the Administrator shall by

regulation prescribe, shall be given the tenant and landlord of the housing accommodations involved. If the petition be frivolous or without merit, the examiner shall forthwith dismiss it. Such order of dismissal may be reviewed by the Administrator in the manner provided in subsection (c) of this section. The examiner shall grant a hearing upon the petition except in cases dismissed under this subsection.

(b) Hearings under this section shall be conducted in accordance with regulations prescribed by the Administrator. The landlord and tenant shall be given an opportunity to be heard or to file written statements, due regard to be given the utility and relevance of the information offered and the need for expedition. In any such hearing the common-law rules of evidence shall not be controlling.

(c) The examiner, after hearing, shall make findings of fact and recommend an appropriate order. Copies of such findings and order shall be served upon the parties to the proceeding in such manner as the Administrator may prescribe by regulations. Within five days after such service, any such party may request that the recommended order be reviewed by the Administrator. If there be no such request within such five days, the findings and recommended order of the examiner shall thereupon be deemed to be the findings and order of the Administrator: *Provided*, That the Administrator may review the proceedings, as herein provided, on his own motion at any time within ten days after service of the examiner's findings and order upon the parties. The Administrator may, in his discretion, grant a hearing upon the request. Upon such request or motion, the record in the case shall be forthwith transferred to the Administrator for review and he may, in his discretion, grant a hearing. He shall state his findings of fact or affirm the examiner's findings of fact, which findings in either case shall be conclusive if supported by substantial evidence, and shall make an appropriate order.

SEC. 9. COURT REVIEW.—(a) Within ten days after issuance of an order of the Administrator under section 4, any party may file a petition to review such action in the municipal court of appeals for the District of Columbia, and shall forthwith serve a copy of such petition upon the Administrator. Thereupon, the Administrator shall certify and file with the court a transcript of the record upon which the order complained of was entered. Upon the filing of such transcript, the court shall have exclusive jurisdiction to affirm or set aside such order, or remand the proceeding: *Provided*, That the Administrator may at any time, upon reasonable notice and in such manner as he shall deem proper, rescind, modify, or set aside, in whole or in part, any such order at any time notwithstanding the pendency of the petition to review.

(b) No objection that has not been urged before the Administrator shall be considered by the court, unless the failure to urge such objection shall be excused because of extraordinary circumstances. No order shall be set aside or remanded unless the petitioner shall establish to the satisfaction of the court that the order is not in accordance with law, or is not supported by substantial evidence. The commencement of proceedings under this section shall not, except as provided in subsection (d), operate as a stay of the Administrator's order.

(c) The municipal court of appeals for the District of Columbia is hereby granted exclusive jurisdiction to review any order of the Administrator made pursuant to section 4 of this Act. The judgment and decree of the court shall be final, subject to review as provided by law relative to other judgments of the court. All cases now pending before the statutory three-judge court of the municipal court which have not been presented to that court for decision at the time this Act takes effect shall forthwith be certified by said court to the municipal court of appeals for the District of Columbia. Nothing herein contained shall affect the validity of any judgment or decree of the statutory court (consisting of three judges of the municipal court as heretofore provided by law) rendered subsequent to the effective date of this Act in cases heretofore presented to that court and now awaiting decision.

(d) No court shall issue any interlocutory order or decree staying the effectiveness of any provision of this Act or any regulation or order issued thereunder, unless the person objecting to such provision, regulation, or order, shall file with the court an undertaking with a surety or sureties satisfactory to the court for the payment, in the event such objection is not sustained, of the amount by which the maximum rent, if any, permitted under such provision, regulation, or order, exceeds or is less than the amount actually received or paid while such stay is in effect.

SEC. 10. ENFORCEMENT, PENALTIES.—(a) If any landlord receives rent or refuses to render services in violation of any provision of this Act, or of any regulation or order thereunder prescribing a rent ceiling or service standard, the tenant paying such rent or entitled to such service, or the Administrator on behalf of such tenant, may bring suit to rescind the lease or rental agreement, or, in case of violation of a maximum-rent ceiling, an action for double the amount by which the rent paid exceeded the applicable rent ceiling and, in case of violation of a minimum-service standard, an action for double the value of the services refused in violation of the applicable minimum-service standard or for $50, whichever is greater in either case, plus reasonable attorneys' fees and costs as determined by the court. Any suit or action under this subsection may be brought in the municipal court of the District of Columbia regardless of the amount involved, and the municipal court is hereby given exclusive jurisdiction to hear and determine all such cases.

(c) No person shall be held liable for damages or penalties in any court on any grounds for or in respect of anything done or omitted to be done in good faith pursuant to any provision of this Act or any regulation, order, or requirement thereunder, notwithstanding that subsequently such provision, regulation, order, or requirement may be modified, rescinded, or determined to be invalid. The Administrator may intervene in any suit or action wherein a party relies for ground of relief or defense upon this Act or any regulation, order, or requirement thereunder. No costs shall be assessed against the Administrator in any proceedings had or taken in accordance with this Act.

(d) Whenever in the judgment of the administrator any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of this Act, or any regulation, order, or requirement thereunder, he may make application to the United States District Court for the District of Columbia for an order enforcing compliance with this Act or such regulation, order, or requirement, and upon a proper showing a permanent or temporary injunction, restraining order, or other order, shall be granted without bond.

SEC. 11. DEFINITIONS.—As used in this Act—

(a) The term "housing accommodations" means any building, structure or part thereof, or land appurtenant thereto, or any other real or personal property rented or offered for rent for living or dwelling purposes in the District of Columbia (including, but without limitation, houses, apartments, hotels, rooming- or boarding-house accommodations, and other properties used for living or dwelling purposes) together with all services supplied in connection with the use or occupancy of such property.

(b) The term "services" includes the furnishing of light, heat, hot and cold water, telephone, elevator service, furnishings, furniture, window shades, screens, awnings, and storage, kitchen, bath, and laundry facilities and privileges, maid service, janitor service, the removal of refuse, and the making of all repairs suited to the housing accommodations or necessitated by ordinary wear and tear, and any other privilege or facility connected with the use or occupancy of housing accommodations.

(c) The term "rent" means the consideration, including any bonus, benefit, or gratuity, demanded or received per day, week, month, year, or other period of time as the case may be, for the use or occupancy of housing accommodations or the transfer of a lease for such accommodations.

(d) The term "maximum-rent ceiling" means the maximum rent which may be demanded or received for the use or occupancy of housing accommodations or the transfer of a lease for such accommodations.

(e) The term "minimum-service standard" means the minimum service which may be supplied in connection with the renting or leasing of housing accommodations.

(f) The term "tenant" includes a subtenant, lessee, sublessee, or other person entitled to the use or occupancy of any housing accommodations.

(g) The term "landlord" includes an owner, lessor, sublessor, or other person entitled to receive rent for the use or occupancy of any housing accommodations.

(h) The term "person" includes one or more individuals, firms, partnerships, corporations, or associations and any agent, trustee, receiver, assignee, or other representative thereof.

(i) The term "documents" includes leases, agreements, records, books, accounts, correspondence, memoranda, and other documents, and drafts and copies of any of the foregoing.

SEC. 12. SEPARABILITY.—If any provision of this Act or the application of such provision to any person or circumstance shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other persons or circumstances shall not be affected thereby.

SEC. 13. APPROPRIATION.—There is hereby authorized to be appropriated such funds as may be necessary to carry out the provisions of this Act, to be paid out of money in the Treasury of the United States to the credit of the District of Columbia not otherwise appropriated.

SEC. 14. SHORT TITLE.—This Act may be cited as the "District of Columbia Emergency Rent Act."

SEC. 7. Nothing in this Act shall be construed as authorizing or permitting the recontrol of any housing accommodations which have been heretofore decontrolled.[1]

[1] Sec. 7, Public Law 45, 81st Cong.

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